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C O N F I D E N T I A L SECTION 01 OF 03 BERLIN 000791

SIPDIS
STATE FOR ISN/CPI-MARK FELIPE AND JENNIFER CHALMERS

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TAGS: [PARM](#) [PREL](#) [KNNP](#) [ECON](#) [EFIN](#) [EUN](#) [KN](#) [GM](#)
SUBJECT: GERMAN MFA SUPPORTS U.S. EFFORTS ON IMPLEMENTING
UNSCR 1874 AGAINST NORTH KOREA

REF: A. STATE 65483
[1](#)B. STATE 66250

Classified By: ACTING POLITICAL MINISTER COUNSELOR STAN OTTO. REASONS:
1.4 (B) AND (D).

[1](#)1. (C) SUMMARY: The German MFA supports the U.S. effort to mobilize the international community to fully implement UNSCR [1](#)1874. In this regard, the Germans suggest that we focus our efforts on new EU president Sweden, which they say remains skeptical about enhanced sanctions against North Korea. While Germany is ready and willing to carry out inspections of suspect vessels in its own territorial waters, it is reviewing whether and how this can be done on the high seas. With regard to expanded economic and financial sanctions, Germany has already circulated a non-paper within the EU proposing to ban the export of additional dual-use and industrial goods and to strengthen the existing embargo on luxury goods (full text of paper at para 6). END SUMMARY

DEMARCHE

[1](#)2. (SBU) Post delivered reftel talking points to MFA Arms Control Action Officer Claudia Schneider, North Korean Desk Officer Jens Wagner and UNSC Action Officer Dirk Stockhausen on June 26, emphasizing the importance the U.S. places on implementing new UNSCR 1874, especially the inspection-related provisions and the expanded financial measures. On June 30, Wagner provided a preliminary reaction and shared a copy of a Germany non-paper on EU implementation of UNSCR 1874, which he said is scheduled to be discussed by the EU Working Group on Asia (COASI) on July 1 and then at EU RELEX meeting on July 2 (see para 6 for full text).

FOCUS ON SWEDEN

3.(C) Wagner said Germany supported the U.S. effort to mobilize the international community to fully implement UNSCR [1](#)1874. In this regard, he suggested that we focus special attention on new EU president Sweden. He characterized Sweden as being "skeptical" about enhanced sanctions, because it fears they could stimulate a backlash from Pyongyang that could close off the few remaining lines of communication to the regime. Wagner said he had recently talked to his counterpart in the Swedish MFA and said she was open to input on this issue from the U.S.

INSPECTIONS

[1](#)4. (C) With regard to the U.S. points on inspections of suspect vessels, Wagner said that Germany will have no problem carrying out such inspections in German territorial waters. However, he highlighted that Germany is not yet quite sure whether it can do this on the high seas. New national legislation might be necessary to enable such action. He said the issue was under view by legal officials in several different ministries including MFA, MOD, MOJ and Ministry of Interior.

SANCTIONS

¶5. (C) Wagner emphasized, however, that Germany has already formulated its position on implementation of the expanded economic and financial sanctions, as outlined in the German non-paper. He said Germany was proposing to ban the export of additional dual-use and industrial goods and to strengthen the existing embargo on luxury goods. He noted that up to now, Germany has defined a car with a value of 15,000 Euros or more as a "luxury good." Germany now proposes to have an EU-wide standard that would lower the threshold to 3,000 Euros. Wagner thought it was important to have greater clarity at the EU level on what was meant by "luxury goods" under UNSCRs 1874 and 1718. Otherwise, there would continue to be widely varying interpretations about what was allowed and what was not.

GERMAN NON-PAPER

¶6. (SBU) German non-paper on EU implementation of UNSCR 1874:

The European Council called for UNSCR 1874 to be implemented in a robust way and without delay. Germany feels that in doing so the EU should be ready to go beyond measures adopted by the United Nations Security Council and would offer the following ideas:

¶1. The EU has already imposed a full arms embargo on the DPRK. Now we should also introduce an export ban on further Dual-use and industrial goods which are of relevance to the DPRK leadership in their pursuit of proscribed activities.

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Financial services related to such goods should also be banned. A draft list of possible items is attached.

¶2. The EU should strengthen the existing embargo on luxury goods by expanding the list attached to EC regulation 329/2007. We should aim to cover not only goods considered as "luxury" by European standards, but all items considered as luxury goods in North Korea. To ensure an effective implementation of the embargo on luxury goods, the Regulation should, depending on the product, either provide for an export ban or introduce a threshold value. For example the EU should consider banning exports of all alcoholic beverages as well as all perfumes to North Korea and also introduce a very low threshold value for permissible car exports from the EU (e.g. 3000,- Euros or less per vehicle). The text of the Regulation and the relevant positions in Annex III should be accordingly amended and precisely defined.

¶3. UNSCR 1874 announces further designations of persons and entities subject to asset-freezes and travel restrictions. The EU should prepare for designating, autonomously, additional persons and entities based on the criteria mentioned in UNSCR 1718, thereby following the example set by implementing UNSCR resolutions on Iran.

¶4. On top of the ban on financial services related to proscribed goods (see above, para 1), the EU should implement op 18 of UNSCR 1874 by freezing all assets of persons and entities whose DPRK-related activities must be prevented under that paragraph.

List of Dual-use and industrial goods for an EU export ban proposed by Germany.

In addition to those goods which are subject to licensing requirements under Regulation (EC) 1334/2000, cf. also Art. 4 para. 5 and Art. 5 para. 1 of the Regulation, Germany proposes the following goods for an EU export ban:

¶1. Spin-forming machines and flow-forming machines having a roller force of more than 30 kN and specially designed components therefor (asterisk).

Technical Note:

For the purpose of this item machines combining the functions of spin-forming and flow-forming are regarded as flow-forming machines.

12. Equipment as follows (asterisk):

a) Fermenters capable of cultivation of pathogenic "micro-organisms" or viruses, or capable of toxin production, without the propagation of aerosols, and having a total capacity of 10 l or more;

b) Agitators for fermenters as mentioned in the paragraph above,

Technical Note:

Fermenters include bioreactors, chemostats and continuous-flow systems.

13. Equipment for the deposition of metallic overlays for non-electronic substrates as follows, and specially designed components and accessories therefor (asterisk):

a) Chemical vapor deposition (CVD) production equipment;

b) Physical vapor deposition (PVD) production equipment;

c) Production equipment for deposition by means of inductive or resistance heating.

14. Radar- based navigation or surveillance systems for vessel or airborne traffic control and specially designed components therefor (asterisk).

Note:

This item should not affect the legitimate export of radar-systems required for air traffic security according to ICAO (The detailed wording of this note has to be determined.)

15. Trucks with a payload exceeding 1 000 kg (asterisk).

Note:

This item includes flatbed trailers, semi trailers and other trailers.

16. Helicopters, helicopter power transfer systems, gas turbine engines and auxiliary power units (APUs) for use in

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helicopters and specially designed components therefor.

17. Internal combustion engines (i.e. axial piston or rotary piston type) having all of the following, and specially designed components therefore:

a) Designed or modified for flight applications (e.g. composed of lightweight motor components), and

b) A total displacement equal to or greater than 75 cm³ and equal to or less than 900 cm³ (for axial piston engines), or a displacement equal to or less than 900 cm³ per rotary piston.

18. Equipment specially designed for the production (including printing) of banknotes, legal tenders, banknote paper and special security paper.

Notes:

1. "Technology" and "Software" for the development and production of equipment specified in the positions of this proposal should become an element of this annex. However, details of appropriate prohibitions need to be discussed in further detail.

¶2. To be determined whether references to items listed in Annex I of the EC Dual-use Regulation or in the Annexes of existing EC-Sanctions-Regulations are necessary and therefore to be included into these item positions (see where marked with an asterisk).
Koenig